

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEW JERSEY**

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

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In Re:  
**LTL MANAGEMENT, LLC<sup>1</sup>,**  
Debtor.

Chapter 11  
Case No.: 23-12825 (MBK)  
Honorable Michael B. Kaplan

**PRE-DISMISSAL FINAL APPLICATION FOR ALLOWANCE OF FEES AND  
REIMBURSEMENT OF EXPENSES TO FTI CONSULTING, INC.  
FOR THE PERIOD OF APRIL 4, 2023 THROUGH AUGUST 11, 2023**

TO: THE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY JUDGE

The Application of FTI Consulting, Inc. (“FTI”), Financial Advisor to the Official Committee of Talc Claimants (“TCC”), respectfully states to the Court as follows:

- I. On April 4, 2023, the Debtor filed a Voluntary Chapter 11 Petition in the United States Bankruptcy Court for the District of New Jersey (Docket No. 1).
- II. On April 14, 2023, a Notice of Appointment of the Official Committee of Talc Claimants was entered (Docket No. 162). FTI was retained to serve in the capacity of Financial Advisor to the Official Committee of Talc Claimants by Order of this Court dated June 14, 2023 (Docket No. 774), which retention was effective April 15, 2023. A copy of such retention Order is annexed hereto as Exhibit A.
- III. On August 17, 2023, TCC Professionals filed the Motion for Allowance of Administrative Claims for Reimbursement of Expenses Incurred for the Period from April 4, 2023 through April 14, 2023 (Prior to the Formation of the Official Committee of Talc Claimants) that Provided a Substantial Contribution in the Debtor’s Case or, in the Alternative, Authorizing Retention of the TCC Professional Effective as of the Petition Date (Docket No. 1241). The Motion is pending before the Court seeking retroactive formation of the TCC and *nunc pro*

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<sup>1</sup> The last four digits of the Debtor’s taxpayer identification number are 6622. The Debtor’s address is 501 George Street, New Brunswick, New Jersey 08933.

*tunc* retention of all TCC Professionals as of the Petition Date, or payment fees and expenses for such period as a substantial contribution to this bankruptcy case for the period prior to the formation of the TCC, April 4, 2023 through April 14, 2023. As such, we included fees incurred during the period from April 4, 2023 through April 14, 2023 in this Pre-Dismissal Final Fee Application.

IV. Within the Application represents FTI's Pre-Dismissal Final Application for Compensation as Financial Advisor to the TCC and covers the period April 4, 2023 through August 11, 2023 (the "Dismissal Date"). The August 11, 2023 Dismissal Order (Docket No. 1211) provides for the continued existence of the TCC to pursue or defend any appeals and for all retained professionals in the bankruptcy case to file fee applications for periods from the Dismissal Date through and including the date on which any appeal(s) is exhausted or resolved. Pursuant to that Order, post-dismissal fees will be sought for services related to appeals, as well as in connection with preparation of the Fourth Monthly Fee Statement and this Pre-Dismissal Final Fee Application.<sup>2</sup>

V. FTI's computerized time sheets, previously filed with the Monthly Fee Statements and Substantial Contribution Motion covering the Application Period, detail the services rendered by FTI and Compass Lexecon LLC ("Compass Lexecon") professionals, the hourly rate charged by each professional, and the actual time expended in the performance of such services.<sup>3</sup> Said time sheets reflect that FTI expended 5,620.8 hours in performing services for the TCC, resulting in charges of \$4,605,966.25.

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<sup>2</sup> An additional post-dismissal final fee application will be filed seeking such fees and expenses.

<sup>3</sup> Supplemental computerized time sheets for fees that were not billed on the prior monthly fee statements are attached hereto as Exhibit C, Exhibit D, and Exhibit E.

VI. FTI's expense reports, previously filed with the Monthly Fee Statements covering the Application Period, detail the expenses incurred by FTI and Compass Lexecon in the performance of their duties to the TCC, which total \$57,772.96.<sup>4</sup>

VII. Monthly Fee Statements were prepared and served pursuant to the Administrative Fee Order Establishing Procedures for Allowance of Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 562) entered on May 22, 2023.

Date	Fees	Expenses
April 15 - April 30, 2023 (Docket No. 837)	\$271,674.75	\$0.00
May 1, 2023 - May 31, 2023 (Docket No. 1107)	1,060,395.00	593.21
June 1, 2023 - June 30, 2023 (Docket No. 1224)	1,420,198.50	2,257.16
July 1, 2023 - August 11, 2023 (Docket No. 1285)	1,727,712.50	48,228.05

VIII. Annexed hereto and made part hereof as **Exhibit B** is the Affidavit of Matthew Diaz, submitted in accordance with the provisions of Section 504 of the Bankruptcy Code.

IX. During the Application Period, FTI and Compass Lexecon continued to perform a variety of services for the creditors of the within Chapter 11 bankruptcy estate:

a. ***Code 1 – Current Operating Results & Events (91.1 hours)***

During the Application Period, FTI reviewed and analyzed the Debtor's Monthly Operating Reports, recent docket filings and news updates. This work was necessary to better understand the Debtor's current financial situation.

b. ***Code 3 – Financing Matters (DIP, Exit, Other) (11.1 hours)***

Time in this Task Code includes analysis and review of the Debtor's 2023 Funding Agreement with Johnson & Johnson.

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<sup>4</sup> Supplemental expense reports that were not billed on the prior monthly fee statements are attached hereto as **Exhibit F** and **Exhibit G**.

**c. *Code 11 – Prepare for and Attendance at Court Hearings (66.9 hours)***

During the Application Period, FTI and Compass Lexecon attended the Motion to Dismiss trial, two hearings on the preliminary injunction, one hearing on the Debtor’s Motion for an Order Appointing Randi S. Ellis as Legal Representative for Future Talc Claimants and the Motion of Relief from Stay of Anthony Valadez, one hearing on the Disclosure Statement scheduling, and a hearing on dismissal.

**d. *Code 12 – Analysis of SOFAs and SOALS (90.0 hours)***

FTI conducted a detailed review of the Debtor’s filed statements of financial affairs (“SOFAs”) and schedules of assets and liabilities (“SOALS”). Time in this Task Code includes preparing materials for the Committee to report on the above analyses.

**e. *Code 13 – Analysis of Other Miscellaneous Motions (78.3 hours)***

Time in this Task Code captures time spent reviewing and analyzing draft pleadings prepared by Committee Counsel, including but not limited to, the bar date motion, estimation motion, and writ of mandamus. FTI also reviewed various motions, including but not limited to, the Debtor’s motion for appointment of the Future Claimants Representative, and objections to the same.

**f. *Code 14 – Analysis of Claims/Liabilities Subject to Compromise (275.2 hours)***

FTI and Compass Lexecon reviewed and evaluated claims data provided by the Debtor and the Ad Hoc Committee of Supporting Counsel to assess the magnitude of the claims pool. FTI and Compass Lexecon evaluated various key assumptions and analyzed historical claims data to gain an understanding of the creditor pool, and the impact that different plan constructs would have on claimants, including development of a claims calculator at the request of the Committee.

**g. *Code 16 – POR & DS - Analysis, Negotiation and Formulation (206.1 hours)***

During the Application Period, FTI and Compass Lexecon reviewed and analyzed multiple documents related to the Debtor’s Chapter 11 Plan and Disclosure Statement, including but not limited to, various versions of the Disclosure Statement, the proposed Plan, the Trust Distribution Procedures, and other supplements to the proposed Plan. Additionally, FTI and Compass Lexecon prepared several detailed

analyses, which were presented to Committee Counsel to help the Committee understand the proposed Plan and its impact on talc claimants.

h. ***Code 18 – Potential Avoidance Actions & Litigation Matters (430.6 hours)***

During the Application Period, FTI and Compass Lexecon reviewed and analyzed numerous pleadings in connection with the motions to dismiss the bankruptcy case. FTI and Compass Lexecon also reviewed the Debtor's expert reports and document production supplied in connection with the same. Additionally, time in this task code included attendance at depositions taken for both the preliminary injunction and the motions to dismiss.

i. ***Code 19 – Case Management (28.9 hours)***

Work in this Task Code included review and development of case strategy, overall work plan development, and management of critical tasks and key case issues in connection with FTI's role as financial advisor to the Committee.

j. ***Code 21 – General Meetings with Committee & Committee Counsel (97.8 hours)***

Work in this Task Code included participation in periodic calls with Committee Members and Committee Professionals regarding case strategy and status, the Motions to Dismiss the case and other pending motions, understanding of claims, and various other case issues. Additionally, preparation and review of correspondence with the Committee and Committee Counsel is captured in this Task Code.

k. ***Code 22 – Meetings with Other Parties (4.2 hours)***

Work in this category includes telephonic participation in the 341 Creditors Meeting.

l. ***Code 23 – Firm Retention (58.8 hours)***

Time in this category includes preparation of FTI's retention application, corresponding declarations, and correspondence with Committee counsel regarding the same.

m. ***Code 24 – Preparation of Fee Application (125.7 hours)***

During the Application Period, FTI prepared the schedules for its First Monthly Fee Statement, Second Monthly Fee Statement, and Third Monthly Fee Statement.

n. ***Code 25 – Travel Time (8.9 hours)***

Time in this category reflects time spent by FTI traveling in connection with the Motion to Dismiss trial, one of the hearings on the preliminary injunction, and the hearing on dismissal.

o. ***Code 26 – Communications (742.4 hours)***

In accordance with Section 1102(b)(3) of the Bankruptcy Code, FTI provided services to facilitate communications between the Committee and the creditor constituency. During the Application Period, FTI was engaged in numerous workstreams to execute the Committee's communications strategy, including but not limited to, managing the Committee's website, hosting Town Hall Meetings, responding to inquiries from claimants, and preparing weekly media monitoring updates to be shared with the Committee.

p. ***Code 27 – Mesothelioma Claims Estimation (1,592.3 hours)***

Time in this category relates to the estimation of mesothelioma cancer claims. FTI prepared numerous analyses to form an understanding of the potential range and magnitude of current and future mesothelioma claims against the Debtor. Many of these analyses were performed in connection with drafting an expert report to be filed in rebuttal to the Debtor's Disclosure Statement.

q. ***Code 29 – Ovarian Claims Estimation (1,599.5 hours)***

Time in this category relates to the estimation of ovarian cancer claims. Compass Lexecon prepared numerous analyses to form an understanding of the potential range and magnitude of current and future ovarian claims against the Debtor. Many of these analyses were performed in connection with drafting an expert report to be filed in rebuttal to the Debtor's Disclosure Statement.

r. ***Code 30 – AHC Litigation Support (4/4/23 - 4/14/23) (101.9 hours)***

Time in this Task Code relates to work performed for the Ad Hoc Committee of Mesothelioma Claimants during the period from April 4, 2023 through April 14, 2023, prior to the formation of the Official Committee of Talc Claimants. A motion is pending before the Court to make the effective date of retention of all TCC Professionals April 4, 2023, or to allow the fees and expenses for such period as a substantial contribution to this bankruptcy case.

s. ***Code 31 – Communications (4/4/23 - 4/14/23) (20.0 hours)***

Time in this Task Code relates to communications services provided to the Ad Hoc Committee of Mesothelioma Claimants during the period from April 4, 2023 through April 14, 2023, prior to the formation of the Official Committee of Talc Claimants. A motion is pending before the Court to make the effective date of retention of all TCC Professionals April 4, 2023, or to allow the fees and expenses for such period as a substantial contribution to this bankruptcy case.

t. ***Code 32 – Other Tasks - Substantial Contribution Not Sought (4/4/23 - 4/14/23) (16.1 hours)***

Work in this Task Code comprises the voluntary reduction taken by FTI for services provided to the Ad Hoc Committee of Mesothelioma Claimants during the period from April 4, 2023 through April 14, 2023, prior to the formation of the Official Committee of Talc Claimants. Time in this category represents work that FTI believes may be construed as tangential to substantial contribution.

WHEREFORE, FTI respectfully requests entry of the annexed Order, granting a pre-dismissal final allowance of compensation in the amount of \$4,605,966.25, together with reimbursement of expenses in the amount of \$57,772.96, for a total requested payment of \$4,663,739.21.

Date: September 8, 2023

**FTI CONSULTING, INC.**

By: */s/ Matthew Diaz*  
Matthew Diaz